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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

13 SONY CORPORATION, A Japanese corporation,

CASE NO. CV-01135-AHS-AN

14 Plaintiff,

**SONY'S AMENDED NOTICE OF  
MOTION AND AMENDED MOTION  
FOR RECONSIDERATION OF  
TRANSFER ORDER;  
MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT  
THEREOF**

16 VIZIO INC. A California corporation

### Defendant...

[Concerns Order by the Honorable R. Gary Klausner Declining Intra-District Transfer]

**Judge:** Hon. R. Gary Klausner  
**Hearing Date and Time:** January 5, 2009, 10:00 a.m.

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that plaintiff Sony Corporation (“Sony”) will, and hereby does, bring this amended motion before the Honorable Judge R. Gary Klausner to reconsider his October 24, 2008 Order declining to transfer the case captioned *Sony Corp. v. VIZIO, Inc.*, CV08-01135 AHS (ANx) (the “VIZIO Action”) to his docket. This Amended Motion is made pursuant to Local Rule 7-18, on the grounds that material facts presented to the Court were overlooked and not considered in its decision to decline transfer of the VIZIO Action.

This Amended Motion is based on this Notice of Amended Motion and Amended Motion, the accompanying Memorandum of Points and Authorities, the Declaration of Rory S. Miller filed concurrently herewith, and all other matters of which the Court may take judicial notice.

### Statement of Rule 7-3 Compliance

This motion is made following the conference of counsel pursuant to Local Rule 7-3 which took place on November 13, 2008. On November 19, 2008, VIZIO Inc. (“VIZIO”) notified Sony that it opposes this motion.

DATED: December 15, 2008 Respectfully submitted,

QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP

By Kevin P.B. Johnson /For  
Kevin P.B. Johnson  
Attorneys for Sony Corporation

## **MEMORANDUM OF POINTS AND AUTHORITIES**

## Introduction

4           This is a motion for reconsideration of the Court’s denial of an intra-  
5 district transfer of this case (the “VIZIO Action”) to the docket of Judge Klausner,  
6 where Sony already has a related patent infringement case pending captioned *Sony*  
7 *Corp. v. Westinghouse Digital Electronics, LLC*, CV08-03934 RGK (FMOx) (the  
8 “Westinghouse Action”). The Westinghouse and VIZIO Actions involve the same  
9 10 Sony patents and substantially similar accused products. Sony’s original  
10 Complaint asserted infringement of 14 patents, but Sony later withdrew four of  
11 those patents by filing a First Amended Complaint and granted Vizio a covenant not  
12 to sue, and as a result the two actions now involve the same 10 patents.  
13 Accordingly, a transfer of the VIZIO Action to Judge Klausner will benefit judicial  
14 economy by preventing the unnecessary and inefficient duplication of this Court’s  
15 efforts and eliminate the risk of inconsistent rulings in the two actions.

16                   Based on the Court’s Order declining transfer, however, it appears that  
17 the fact that both actions involved 10 of the same patents was not considered, as  
18 boxes on the form order that relate to that issue were not marked (at the time, the  
19 VIZIO action involved four additional patents, but again those patents have since  
20 been withdrawn). Accordingly, Sony respectfully requests the Court reconsider its  
21 order denying transfer of the VIZIO Action and transfer the case to the docket of  
22 Judge Klausner.

## Factual Background

25 On June 16, 2008, Sony filed a Complaint against Westinghouse for  
26 infringement of 7 Sony patents. In the Westinghouse Action, Sony asserted that  
27 Westinghouse infringed 7 of its patents, namely U.S. Patent Nos. 5,434,626,  
28 5,583,577, 5,684,542, 5,731,847, 5,751,373, 6,111,614, and RE38,055. Declaration

1 of Rory S. Miller, ("Miller Decl."), Ex. A. On September 16, 2008, the Court in the  
2 Westinghouse Action issued an Order allowing Sony to file its First Amended  
3 Complaint to add claims of infringement of three additional patents, U.S. Patent  
4 Nos. RE40,468, 6,778,182, and 6,661,472. Miller Decl., Exs. B and C. The patents  
5 asserted in the Westinghouse Action concern various aspects of the display,  
6 interface, and data transmission technology used in digital display devices, for  
7 example televisions and montiors.

8         On October 10, 2008, Sony filed suit against VIZIO, another digital  
9 television manufacturer, and the case was assigned to Judge Stotler. Miller Decl.,  
10 Ex. D. In the VIZIO Action, Sony asserted all 10 of the patents at issue in the  
11 Westinghouse Action and four additional patents relating generally to display  
12 technology: U.S. Patent Nos. 5,285,285, 5,212,553, 5,168,362 and 5,539,425. *Id.*  
13 Sony also filed a Notice of Related Case and a Civil Cover Sheet, both of which  
14 noted the Westinghouse Action and the VIZIO Action overlapped with respect to  
15 the patents-in-suit and the determinations of questions of law and fact. Miller Decl.,  
16 Ex. E and F. In addition, the Civil Cover Sheet also noted the potential for  
17 substantial duplication of labor if the two cases were adjudicated before different  
18 judges. Miller Decl., Ex. F. Also on October 10, 2008, VIZIO filed suit against  
19 Sony in the District of New Jersey seeking declaratory relief on the same 14 patents  
20 in a case captioned *VIZIO, Inc. v. Sony Corporation et al.*, D.N.J. Case No. 08-5029  
21 (the "New Jersey Action"). Miller Decl., Ex. G.

22         In accordance with the typical process in this district for handling  
23 related cases, intra-district transfer of the VIZIO Action to the docket of Judge  
24 Klausner was sought. On October 24, 2008, Judge Klausner declined to accept  
25 transfer, and noted the two cases were "not related." Miller Decl. Ex. H. In the  
26 section of the Court's Order titled "REASON FOR TRANSFER AS INDICATED  
27 BY COUNSEL," the Court explicitly indicated that it considered the fact that the  
28 two cases called for determinations of the same or substantially related or similar

1 questions of law and fact (indicated by the check mark next to box “B”). However,  
2 two other factors, both identified in the Notice of Related Case and Civil Cover  
3 Sheet, appear to have been overlooked and not considered (as indicated by the *lack*  
4 of a check mark next to their respective identifiers (“C” and “D”)). Miller Decl.,  
5 Ex. H. Specifically, the factors of substantial duplication of labor if the two cases  
6 were tried separately (as indicated by the identifier “C”) and the fact that the two  
7 cases involve the same10 patents (as indicated by the identifier “D”) were not  
8 acknowledged as factors presented by counsel for the Court’s consideration. *Id.*

9                   As a result, Sony’s filing of a First Amended Complaint and granting  
10 VIZIO a covenant not to sue, the same 10 patents are at issue in the both the  
11 Westinghouse Action before Judge Klausner and the VIZIO Action (as well as the  
12 New Jersey Action). Specifically, on November 14, 2008, Sony filed its First  
13 Amended Complaint for Patent Infringement in the VIZIO Action, which removed  
14 four previously asserted patents from the case: U.S. Patent Nos. 5,285,285,  
15 5,212,553, 5,168,362 and 5,539,425. Miller Decl., Ex. I. Sony has also covenanted  
16 not to sue VIZIO for infringement of any claims of these four patents based on the  
17 products currently or previously sold, offered for sale, manufactured, or imported by  
18 VIZIO. Miller Decl., Ex. J. This covenant divests a court of any jurisdiction  
19 relating to these four patents. *See Super Sack Mfg. Corp. v. Chase Packaging Corp.*,  
20 57 F.3d 1054 (Fed. Cir. 1995) (Although defendant “may have some cause to fear  
21 an infringement under the [patents in suit] based on products it may develop in the  
22 future,” there is no subject matter jurisdiction over defendant’s counterclaims where  
23 plaintiff’s covenant not to sue removed any “cause for concern that [defendant] can  
24 be held liable for any infringing acts involving products that it made, sold, or used  
25 on or before [the date of any covenant not to sue].”); *see also, e.g., Intellectual*  
26 *Prop. Dev., Inc. v. TCI Cablevision*, 248 F.3d 1333 (Fed. Cir. 2001).

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## Argument

2           Sony respectfully moves to reconsider Judge Klausner's Order  
3 declining transfer of the VIZIO Action. "A motion for reconsideration of the  
4 decision of any motion may be made only on grounds of...a manifest showing of a  
5 failure to consider material facts presented to the court before such decision." Local  
6 Rule 7-18(c).

7           Judge Klausner's Order declining transfer of the VIZIO Action did not  
8 acknowledge the consideration of two material facts presented in Sony's Notice of  
9 Related Case and Civil Cover Sheet. Specifically, the factors of substantial  
10 duplication of labor if the two cases were heard by different Judges and the fact the  
11 two cases involve the same 10 patents were not acknowledged as factors considered  
12 in Judge Klausner's Order. Miller Decl., Ex. H. Accordingly, it appears the Court  
13 overlooked and failed to consider these two material facts.

14           The Westinghouse and VIZIO Actions involve the identical 10 patents  
15 and substantially similar accused products. The 10 patents at issue in these actions  
16 are all directed to various aspects of digital receivers that receive and display digital  
17 video signals, such as digital televisions and monitors. Both VIZIO and  
18 Westinghouse sell digital televisions that incorporate the technology claimed in the  
19 10 patents in a similar way and, in some instances, the very same way. For  
20 example, two of the 10 patents cover the digital television closed captioning  
21 standard, and VIZIO and Westinghouse's compliance with that standard is  
22 mandatory. Thus, for these patents, the infringement analysis will be nearly, if not  
23 actually, identical. Similarly, another three of the 10 asserted patents are infringed  
24 by VIZIO and Westinghouse's implementation of a technical specification, the  
25 High-bandwidth Digital Content Protection (HDCP) specification, that is used to  
26 prevent unauthorized copying of digital video. Again, the infringement analysis will  
27 necessarily be quite similar for both VIZIO and Westinghouse's products. As to the  
28

1 remaining five patents, the similar nature of VIZIO and Westinghouse's digital  
2 television products again suggests a similar infringement analysis.

3           Thus, a transfer will benefit judicial economy and efficiency by  
4 avoiding expending the Court's limited resources in unnecessary and inefficient  
5 duplicative hearings on matters of claim construction and the application of those  
6 claims to similar products. Transfer also eliminates the risk of creating inconsistent  
7 judgments within the District should the two cases somehow reach differing results.

8           Similarly, issues of the validity and enforceability of the patents are  
9 also likely to raise identical or substantially related questions of law and fact,  
10 including the alleged application of prior art and any other purported validity  
11 defenses that VIZIO and Westinghouse may seek to raise, such as those under 35  
12 U.S.C. § 112. Again, allowing the two cases to proceed before different Judges is a  
13 needless waste of this Court's resources and exposes the Court to inconsistent  
14 rulings.

15           The possibility that there may be *some* differences in the questions  
16 presented in the two actions, as VIZIO has suggested in related filings before this  
17 Court, is not sufficient to find them "unrelated" for the purposes of transfer. The  
18 fact remains that, regardless of whatever other issues or patents could possibly be  
19 raised, adjudication of the two actions will necessarily require many substantially  
20 identical determinations on the 10 patents-in-suit and accused products. Such  
21 factual and legal overlap between the two cases necessitates that the two actions are  
22 "related cases" under Local Rule 83-1.3.1.

23           Accordingly, the Court's Order declining intra-district transfer of the  
24 VIZIO Action should be reconsidered, and this case should be determined to be  
25 related to the Westinghouse Action pursuant to Local Rule 83-1.3.1 and be  
26 transferred to the docket of Judge Klausner.

27 //  
28 //

1 DATED: December 15, 2008

Respectfully submitted,

2 QUINN EMANUEL URQUHART OLIVER &  
3 HEDGES, LLP

4  
5 By  /For  
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7 Attorneys for Sony Corporation